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Honorable James H. Welsh Commissioner of Conservation Office of Conservation Post Office Box 94275 Baton Rouge, LA 70804-4275

Re:

Upper Marginulina 7 Sand, Reservoir A

Marginulina 7 Sand, Reservoir A

Perry Point Field

Acadia and Vermilion Parishes, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of RANGE PRODUCTION COMPANY, for the calling of public hearings after legal notice, to consider evidence relative to the issuance of orders pertaining to the Upper Marginulina 7 Sand, Reservoir A, and the Marginulina 7 Sand, Reservoir A, all in the Perry Point Field, Acadia and Vermilion Parishes, Louisiana:

- 1. To dissolve the existing Marg 7 Sand, Reservoir A, in the Perry Point Field, previously established by Office of Conservation Order No. 448-E, effective July 9, 1971, said unit designated MARG 7 RA SUA.
- 2. To establish rules and regulations and to create a single drilling and production unit for the exploration for and production of gas and condensate from the Upper Marginulina 7 Sand, Reservoir A, in the Perry Point Field, Acadia and Vermilion Parishes, Louisiana, said unit to be designated U MARG 7 RA SUA.
- 3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit with each tract sharing in unit production on a surface acreage basis of participation.
- 4. To designate Range Production Company as operator of the proposed U MARG 7 RA SUA.

- 5. To designate the Range Production Company Faulk No. 1 Well as unit well for the proposed U MARG 7 RA SUA.
- 6. To provide that any future wells drilled to the Upper Marginulina 7 Sand, Reservoir A, in the Perry Point Field, should be located in accordance with the spacing provisions of Statewide Order No. 29-E.
- 7. To provide that the Commissioner of Conservation should be authorized to reclassify the sand and reservoir by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.
- 8. To consider such other matters as may be pertinent.

The Upper Marginulina 7 Sand, Reservoir A, in Perry Point Field, is hereby defined as being that gas and condensate bearing sand encountered between the depths of 11,126 feet and 11,174 feet (electrical log measurements) in the Range Production Company – Faulk No. 1 Well, located in Section 1, Township 11 South, Range 1 East, Acadia Parish, Louisiana.

The Marginulina 7 Sand, Reservoir A, in the Perry Point Field, Acadia, Lafayette and Vermilion Parishes, Louisiana, was previously defined in Office of Conservation Order No. 448-E, effective July 9, 1971.

Pertinent data, including well logs, may be obtained AT THE COST OF THE REQUESTING PARTY from David Comeaux, Leon Comeaux & Associates, P. O. Box 53922, Lafayette, Louisiana 70505, Telephone No. (337) 233-9839.

Pursuant to the Rules of Procedure, a pre-application conference was held on June 11. 2003, in Lafayette, Louisiana, at which the parties named on the attached list were in attendance. The conference was opened by representatives of the applicant who explained the bases for the applicant's proposals. The parties in attendance were advised that although the definition of the proposed unit interval was unchanged, the applicant had determined it would be more appropriate to revise the unit nomenclature of the unit proposal to the Upper Marg 7 Sand. Two counterplans were presented by landowner representatives—one proposal was very similar to that of the applicant and the other proposal was of a somewhat smaller unit with a different treatment of the northeast reservoir boundary. Differences could not be resolved, and the conference was then adjourned. After further discussion since the conference, the applicant and the parties presenting counterplans at the conference have resolved their differences and are all in support of the compromise unit proposal shown on the plat attached hereto and made a part hereof. The unit has been somewhat enlarged using a different down dip limit. It is possible that other interested parties may oppose this compromise plan. Should any party receiving a copy of this application wish to confer, the undersigned should be notified.

Attached hereto and made a part hereof is a plat showing the applicant's proposal along with the conference attendance list and a list of the names and addresses of the Interested Owners, Interested Parties and Represented Parties to whom a copy of this application is being

furnished. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished only to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. The list of parties will be provided to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Interested Parties and Represented Parties.

Finally, enclosed is our check on behalf of the applicant, in the amount of \$1,510.00, made payable to the Office of Conservation representing the required hearing application fee.

Very truly yours,

LISKOW & LEWIS

RWRjr/df Enclosures

Richard W. Revels, Jr.

cc: Mr. Richard Hudson, Lafayette District of Office of Conservation cc: Interested Owners, Represented Parties and Interested Parties

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